MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

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FINAL EXAMINATION

TRIMESTER 1, 2017/2018

BEB3014 – ELECTRONIC BUSINESS

(All sections / Groups)

26 OCTOBER 2017
2.30 p.m. – 4:30 p.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This Question paper consists of 4 pages with 4 Questions only.
2. Attempt **ALL** questions. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

The cloud wars explained: Amazon is dominating, but Microsoft and Google are striking back

The cloud computing market is dominated by some familiar names.

Amazon's cloud service is its most profitable unit. Microsoft has pegged its future to its cloud computing businesses, leading to a very enthusiastic response from Wall Street. Google, too, is betting big on cloud computing as something that could be bigger than its advertising business.

Why everybody's going to the cloud

The most important concept in cloud computing is *hyperscale*. To support their own websites and services, Amazon, Microsoft, and Google have all built a ton of computing infrastructure. Their data centers are vastly bigger and way more efficient than those operated by or could be built by most other companies.

For years now, these giants have rented out some of their computing capacity to developers and companies around the world. A developer or a company can swipe a credit card and get access to fundamentally unlimited computing power.

The basic game plan for all the cloud-computing vendors is to make their services indispensable to both independent software developers and big companies.

Customers might dip their toes in the water of cloud computing with a single app, but as their businesses grow, the cloud service vendors are betting that their cloud usage will also.

Amazon got there first, which is why it's so far ahead

Amazon Web Services (AWS) sits at the top of the cloud computing mountain. Since its origins as a Jeff Bezos-approved experiment in 2006, it's grown into a mammoth business that generated more than $12 billion in revenue last year.

"AWS invented this market," said Dave Bartoletti, a principal analyst at Forrester Research. "They had a five-year head start before anyone else got their act together."

When AWS first launched, it only offered a basic set of infrastructure services. Customers could get access to virtual servers through a service Amazon called the Elastic Compute Cloud, or EC2. They could also use AWS for file storage, through Amazon Simple Storage Service or S3.

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Microsoft pulled off an epic pivot

Microsoft had been playing with cloud concepts since the mid-2000s, but it didn't introduce Azure, its formal AWS competitor, until 2010 — or about four years after Amazon's cloud service launched.

Microsoft and other enterprise-software giants initially treated the cloud as a novelty or a fad. Only later did they see it as a threat. Microsoft eventually recognized that if customers moved to AWS, they wouldn't have as much need for products like Windows Server and SQL Server, which were popular, multibillion-dollar software offerings that were used in most companies' data centers.

The resurgence of Google

Nobody doubts that Google's cloud service can offer huge scale and up-to-date technology, since it runs out of the same data centers that host Google's search engine, Gmail, YouTube, and all of Google's other services. The same tech that helps those sites reach billions of people every day can help Google Cloud customers run their apps and services better, faster and for less money than they could run them on their own servers.

Google App Engine, the very first service in what's now known as Google Cloud, launched in 2008, only a little while after Amazon launched AWS. But despite Google's long tenure in the business and even though its service won over some early fans, the company long struggled to find traction with larger, more lucrative business customers.

Adapted from: Weinberger, M. (2017). *The cloud wars explained: Amazon is dominating, but Microsoft and Google are striking back* [Online]. Available: http://www.businessinsider.com/why-amazon-is-so-hard-to-topple-in-the-cloud-and-where-everybody-else-falls-2017-7/?IR=T [2017, July 22].

a. Companies such as Microsoft, Amazon and Google continue to compete fiercely in the area of cloud services for consumers, developers and enterprises. Cloud services are often cited as being especially vital for small and medium-sized businesses in the 21st Century. Discuss **FIVE (5)** major benefits of cloud computing for small and medium-sized businesses.

(15 marks)

b. Despite the numerous advantages of cloud computing, security of data in the cloud is a key concern preventing cloud adoption by businesses. List and described **THREE (3)** common *security threats* that organizations should be aware of prior to signing up for cloud computing services.

(15 marks)

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c. Advancements in cloud technologies are enabling breakthrough innovations in supply chain management (SCM) systems. In today's complex global supply chain networks, effective B2B collaboration is essential. Discuss **TWO (2)** distinct advantages to cloud-enabled SCM focusing on the *system connectivity* and *scalability* characteristics.

(10 marks)

(Total: 40 marks)

QUESTION 2

a. Google is an American multinational technology company that specializes in Internet-related services and products. How does Google earn money? Discuss the company's **THREE (3)** main income sources.

(12 marks)

b. Agoda.com is an online hotel and accommodation booking platform. Its platform allows travellers to book accommodations in various destinations worldwide.

i. Identify and describe the revenue model of Agoda.com.

(4 marks)

ii. Provide **TWO (2)** examples of online businesses that have the same revenue model as Agoda.com.

(4 marks)

(Total: 20 marks)

QUESTION 3

a. Provide **TWO (2)** examples of businesses that are well suited for each of the following type of commerce:

i. E-commerce

(4 marks)

ii. Combination of e-commerce and traditional commerce strategies

(4 marks)

iii. Traditional commerce

(4 marks)

b. Samsung Pay was launch in Malaysia early this year. Major banks in Malaysia, namely CIMB, Maybank, and Standard Chartered have joined as partners for Samsung's mobile payment service. Explain **FOUR (4)** key advantages of integrating and offering mobile payment services that businesses should be aware of that can benefit their customers.

(8 marks)

(Total: 20 marks)

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QUESTION 4

a. Effective social media marketing strategies are extremely important for businesses today. Explain **THREE (3)** key benefits of social media marketing for businesses.

(10 marks)

b. Provide **FIVE (5)** critical e-commerce success factors for small and medium-sized businesses.

(10 marks)

(Total: 20 marks)

End of Paper